North Central Regional Transit District
Board Retreat

Friday, March 14, 2008

1. CALL TO ORDER:

A regular monthly meeting of the North Central Regional Transit District Board was called to order on the above date at approximately 9:00 a.m. by Vice-Chairman Charles Dorame.

a. PLEDGE OF ALLEGIANCE

b. ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:

City of Española	Councilor Alfred Herrera
Los Alamos County	Mr. Tony Mortillaro
Rio Arriba County	Mr. Tomas Campos
City of Santa Fe	Councilor Miguel Chávez
	Mr. Jon Bulthuis
Santa Fe County	Shabih Rizvi
Taos County	Commissioner Charlie Gonzales
	Ms. Julia Valerio
Tesuque Pueblo	Governor Charlie Dorame
Santa Clara Pueblo	Governor Edwin Tafoya
Pueblo of Pojoaque	Mr. Tim Vigil

Members Excused

Los Alamos County	Commissioner Jim West, Chair

Staff Members Present

Ms. Josette Lucero, Executive Director
Ms. Linda Trujillo, Regional Coordinator
Mr. Jack Valencia, Transit Coordinator
Mr. Ivan Guillen, Regional Transit Coordinator supervisor
Ms. Ashley Sanderson, Marketing Manager
Mr. Mark Basham, NCRTD Legal Counsel

Others Present

Mr. Greg White, NMDOT
Mr. David Harris, NMDOT
Mr. Mitch Buszek, Stenographer
Ms. Julie Ann Grimm, Reporter, New Mexican
Ms. Linda Calhoun, Mayor, Town of Red River
Mr. Bobby Durán, Mayor, Town of Taos
Mr. Mike Davis, Atomic City Transit
Mr. Raymond Martínez, San Ildefonso Pueblo
Mr. Brian Montoya,
Ms. Sandra Maes, NPRPO
Mr. Andrew Jandacek, Santa Fe County
Mr. Cameron Martínez, Pojoaque Pueblo
Ms. Brenda Atencio, Santa Clara Pueblo
Ms. Mary Lou Quintana, Santa Clara Pueblo
Mr. Larry Samuel, Tesuque Pueblo
Mr. Dan Villa, All Aboard America
Ms. Nancy Talley, Los Alamos County
Mr. Fred Ullom, All Aboard America
Mr. Chris Moquino, Senator Jeff Bingaman's office
Mr. Michael López, Congressman Udall's office
Mr. Darren Cordova, Town of Taos
Mr. Sammy Pacheco, Taos County

c. INTRODUCTIONS

Those present introduced themselves to the Board.

d. APPROVAL OF AGENDA

It was moved, seconded and unanimously voted to approve the Agenda as published.

e. APPROVAL OF MINUTES FOR FRIDAY, FEBRUARY 8, 2008

It was moved, seconded and unanimously voted to approve the minutes for February, 8, 2008 as submitted.

2. ACTION ITEM: Approval of Amended Intergovernmental Contract with Addition of Taos County to the NCRTD – Josette Lucero & Mark Basham

Ms. Lucero said that the bylaws of NCRTD require the approval of the Amendment. She said the current contract includes Santa Fe County, Los Alamos County, the City of Española and the Tribal

Governments. She stated that the amendment would bring Taos County in as a full member of the NCRTD.

Mr. Basham, Legal Counsel said that the only substantive thing that the Inter-Governmental Contract did, was to add Taos County to the NCRTD.

Councilor Chávez moved for approval of the Amended Inter-Governmental Contract. Commissioner Gonzales seconded the motion.

Mr. Basham said there was no need to go back to governmental entities for approval, that the Amendment just needed signatures, and whoever signed before could sign. He emphasized that there was no need to take the Amendment to member governments for approval.

Mr. Mortillaro asked if the voting strength analysis was up to date. He asked if staff could confirm the voting strength of Taos County.

Ms. Sanderson said she would like to review the numbers.

Mr. Basham said that voting strength had been previously approved, including Taos County, but that Ms. Sanderson could review the analysis and bring it back to the Board.

The motion passed unanimously.

4. Purpose of retreat (Executive Director and Gannett Fleming)

Ms. Lucero announced that Mr. Larry Miller and Mr. David Ashcroft would be addressing the following agenda:

- Discuss the status of the 2006 NCRTD Service Plan
- Discussion of recommended changes to 2006 Service Plan
- Seek agreement by Board on changes discussed
- Seek agreement by Board on next steps and time frames
- Board to provide direction to NCRTD staff on agreed next steps for updating 2006 Service Plan

5. Discussion on the status of the 2006 NCRTD Service Plan
(NCRTD Staff and Gannett Fleming) (See Attachment)

- Services currently being provided

- Operating environment (service area, ridership trends, vehicles, operating costs, status of capital projects, federal grants, local funding)

Ms. Trujillo noted that the current service area covers four counties. She described the Operating Environment as follows:

Rio Arriba County	5,858 square miles
Los Alamos County	190 square miles
Santa Fe County	1,909 square miles
Taos County	2,203 square miles
Total	10,079 square miles

She noted that the population of these counties was 218,814, representing 11% of the state's population.

She noted that DOT generally funds cities that were very concentrated areas that were serving 12 - 20 square miles but the service area of NCRTD was very aggressive.

Ridership Trends

55%	Rio Arriba
1 %	Los Alamos
4%	Santa Fe
1%	Taos County

Staff noted that ridership was up 7% from last year. Ms. Trujillo said the figures didn't reflect Santa Fe Trails, Taos or Los Alamos and only reflected RTD numbers.

Ms. Trujillo said their analysis was broken down into fixed, commuter and demand response routes. She said that 49% of riders were on computer routes (Questa, Peñasco, Taos, Española, Española to Santa Fe, Española to Los Alamos and the greater Eldorado area. She noted that 42% of the riders were demand response routes, especially from the elderly and special assistance and ADA riders.

She commented that the average trip length was 27.5 miles which indicates that people want longer distances as well as short trips. She clarified that the 27.5 mile trips were one way trips.

She noted that there had been a decline in March Ridership.

She said there were currently 21 vehicles in the fleet, with 5 using compressed natural gas. She said that because of availability issues, the compressed gas vehicles were limited regarding rural travel.

Ms. Trujillo noted that 57% of the RTD vehicles were wheelchair equipped. She said these numbers would be going up.

She reported the median age of the fleet was 2003, the agency's inspection policies and procedures were strong and 43% were 2006 or newer.

Mr. Bulthuis asked if staff had ridership by route. Ms. Sanderson said she had those numbers.

Mr. Bulthuis asked if there were details regarding what other services and what added value that RTD has provided, given that some services had previously been provided by the communities.

Ms. Trujillo said that RTD had instituted routes that were previously closed because there was no funding including Peñasco and Questa. She said demand response services were being provided in the City of Española. She noted that commuter routes have the highest ridership at the present time.

Governor Tafoya asked if RTD had statistics for the pueblos. He said he would like to know how effective the service was.

Ms. Trujillo responded that they were analyzing all routes every six months, considering whether drops effective and whether destinations were ineffective. She said they had asked the pueblos for this kind of information. She noted that there was great diversity in the responses, but that most were in the areas of health care, education and recreation.

Ms. Trujillo explained that the budget for FY 2008 was $1,300.000. She said staff had applied for 5211 federal monies, which were for rural and small urban grants that were passed through NM DOT. She said they had also applied for Job Access federal monies and also applied for a $755,000 rural operating grant.

She noted that as a private entity, they don't have the staff needed. She said they needed to hire legal counsel and financial staff. She said they've tried to put as much money as possible into the operating category.

For FY 2009, she explained that they have applied for $2,298,000 to operate the RTD system. She said this was a slight increase from 2008 because of the increased demand for routes

Ms. Trujillo said the local match monies were from the local member entities, noting that Los Alamos had already contributed their local match. She explained that the match monies leverage the federal monies. She said it would be a great burden if each community did it on their own, and that collectively, it has become a smaller burden for everyone and that it allowed RTD and members to create a regional system.

Governor Tafoya commented that Santa Clara had a senior citizen program, but that were short on cash. They wanted to see if RTD could purchase a handicapped accessible van so their Community Health Representatives could take patients to the clinics.

Ms. Trujillo said RTD was assisting entities in the acquisition of vehicles. She explained that the 5310 grant provided capital for purchase of vehicles, with an 80/20 match. She said it was an annual application and that each member could ask for them.

Ms. Lucero introduced Mr. Larry Miller and Mr. David Ashcroft from Gannett Fleming.

Mr. Miller said Gannett Fleming brought over 100 years experience in transit planning to the task at hand.

6. Discussion of recommended changes (Gannett Fleming)

Service Plan Update - Continued

- Update on the 2006 Service Plan. (page 1 of handout)

Mr. Miller discussed the startup process. He described how two years ago, Gannett had developed a service plan and a business strategy for setting up the NCRTD. He described how there was no money, one staff, limited resources to pull together the needed regional transit initiative. He noted that the Eldorado, Española steps and Taos County joining the RTD were symbols of the improvements that have been made. He mentioned that the Los Alamos service plan was written at the same time. He also noted the consolidation of service in Española and Rio Arriba County as major symbols of improvement

He said that it was remarkable the things that were happening. He noted that people were using the system and that ridership was going up. He thought the mid-day service in Los Alamos was a big plus.

Mr. Miller noted how now there was a comprehensive fleet plat, a regional fare structure, a growth in ridership, a coordinated approach to grant applications and service to Santa Clara, Tesuque, and Ohkay Owingeh Pueblos. (page 2)

Governor Tafoya asked if there would be increased routes to Santa Clara.

Mr. Miller responded that the capital plan would support the increase if there were increased demand. He also pointed out that it was important for there to be connections between the hubs.

He said that when they were asked to plan the next round of improvements, he commented that they were looking at four essential principles regarding why the RTD was formed: (page 3)

- Regional Mobility
- the need to coordinate Regional and Local Services

- the need to coordinate service efficiencies

- and to develop better customer service

a) Statement of Needs * Why continue to expand? (Mr. Miller)

- There was much more travel regionally
- Congestion, road safety
- the price of gasoline
- rural areas - 27.5 miles was the average trip
  long distance travel was becoming the base of the system
- age of population and their need for public transportation
- air quality was always a reason to expand
- to determine the financial requirements that would hopefully support the proposed service expansion

He stated that of the plan was to go to the voters for a secure funding source, which would allow expansion to meet the demands of the communities. He said would address both operating and capital needs.

Goals Revisited (page 4)

Mr. Miller said it was important to remember the original Board policy direction. He did not think it needed to be changed and the guiding principles were what Ms. Lucero used to start up the RTD.

He noted that there were important goals that were established: (page 4)

Goal 1:Establish Reliable and Adequate Funding Sources – He noted that this was in progress and going well.

Goal 2:Increase Personal Mobility Throughout NCRTD – He said RTD has gone as far as it can with the funding it has had to this point.

Goal 3: Provide Access to Critical Services – He commented that the challenge here was to determine where public transportation should be established as a priority.

Goal 4:Complement Regional Transportation Policy Plan (Santa Fe Area) – He said that federal money couldn't be spent without it being spent to complement a regional transportation plan.

Goal 5:Develop Performance Measures – He said the performance measures would allow members to go through Ms. Trujillo's report, and on a broad overview determine what measures have been met

and what measures have not been met, and in cases where they have not been met, do resources need to be reallocated.

Goal 6:Improve Air Quality, Reduce Sprawl and Lower Traffic Congestion Levels – He commented that this reinforces why we're doing what we're doing.

Service Plan Improvements

Mr. Miller explained that service plan improvements were geared to three specific targets: Local Service, Regional Connections and Pueblo Service. He said he would highlight the items still necessary from 2006 plan to be addressed in the next cycle.

Local Needs

City of Española

- Fixed route transit
- increase frequency of service to every 30 minutes
- both fixed route and on demand
- increase hours of service to 6:00 am until 8 pm weekdays
- introduce Saturday Service from 8:00 an until 8 pm

Rio Arriba County

- expand hours of service to 6:00 am until 8 pm
- introduce Saturday service from 8:00 am until 8:00 pm
- service between Española and Tierra Amarilla

Los Alamos County

- expand Regional Service from Los Alamos and White Rock to Española and Santa Fe to every 60 minutes during the mid-day base weekdays between the hours of 111:00 am and 2:00 pm and 10:00 pm
- Neighborhood Routes - 30 minute Frequency at peak
- White Rock - 40 minute frequency at peak (end of page 5)

Taos County

- expand hours of service to 6:00 am until 8:00 pm

- introduce Saturday service from 8:00 until 8:00 pm
- increase frequency and coverage of rural transit service
- Red Rock to Questa, Arroyo Seco to the Town of Taos

Santa Fe County

- increase Weekday service frequency to 60 minutes between Eldorado and Santa Fe
- additional two round trips between Edgewood and Santa Fe
- 30 minute service along Highway 14 Weekdays and Saturday
- weekday service 6:00 - 8:00, weekends 8:00 am until 8:00 pm
- service to La Cienega, Chimayo and the Community College District (Rancho Viejo, South Richards area)
- Southside, East Side, Zia Road area - 30 minute frequency
- southside, mid-city, state offices - 15 minute frequency

Santa Fe Trails

- Route 6 - Southside/eastside - 30 minutes
- Route 4 Southside/MidCity - 15 min Peak
- Route 2 - Cerrillos, New Service

Councilor Chávez asked for details regarding the Cerrillos route.

Mr. Bulthuis said stops were needed for the RailRunner. He said the plan called for an extension of the Cerrillos route from Santa Fe Place to the Rail Runner stop.

Mr. Rizvi asked if there would be consideration of a route for the southern part of the county for access to the Rail Runner.

Mr. Miller said that the issue was being looked at conceptually and they were developing the details. He said service might be provided by Park and Ride or Santa Fe Trails.

Pueblos

- Local circulatory service: within Pojoaque, into Española and regional service into Santa Fe
- Local circulatory service: within Tesuque, into Española and regional service into Santa Fe
- Local circulatory service within San Juan and regional service into Santa Fe
- 6:00 am until 8:00 pm weekdays
- 8:00 am until 8:00 pm weekends

Regional Connections – on page 7 of handout

Future Improvements

- improve frequency as demand grows in Los Alamos, Rio Arriba and Taos Counties
- increase service area in Santa Fe County
- additional Park & Ride service in Santa Fe County

Making Improvements

- based on pre-set Performance Measures
- should anticipate annual 10% ridership increase on a regional basis
- on time service / guaranteed connections

He said performance measures should also consider how well the bus runs and how happy the customers were.

- warrants expanding funding and service levels
- requires strong marketing campaign

Implementation Timetable

- cash flow - have regional tax approval in 2008

He noted that funds would not start to flow until July of 2009. There was a gap between beginning of tax and when services will be delivered. He suggested using current year revenues to pay for the startup which would allow providing services before the income flows from the new tax.

- have service implementation planning: defining bus stops and building bus shelters
- need to order new buses
- hire / train drivers
- initiate marketing

Governor Tafoya asked if there would be increased routes from Santa Clara.

Mr. Miller said the planning process would include figuring out where the buses will run, what streets they would run on, how big the bus needed to be, bus shelters and the need for Park and Ride services. He reiterated that there would need to be connections between hubs. He also noted that this level of planning would allow a more accurate picture to be developed for funding needs.

He said these were basic levels of service. Some of these were started in the first phase, but most would require additional resources that had not been available, therefore the RTD hadn't been able to really address the transportation requirements of a broad range of people, including within the boundaries of the communities.

Mr. Miller suggested discussing what would be left to do. Improvements would be needed as the demand grew, to increase the service area and provide additional parking lot space in Santa Fe County. These were the improvements he saw as pretty obvious but it would be dependent on the public's response to the service levels they already had, considering the regions, the Pueblos and the local communities

The process for making those improvements was an ongoing one that the RTD should be paying attention to as the Board of Directors, literally every month, to set performance measures, have performance levels and expectations before implementing something, like any good business plan has performance expectations before the banks let you move forward. The same was true here – to have performance levels that would tell what to expect from an investment of capital in certain routes. He thought the RTD should expect about 10% annual increase in ridership on a regional basis. Mr. Miller didn't think there would be any problem reaching that goal. He suggested tracking not only how many people were getting on the bus, but also how well the bus was running. How well that bus system was managed.

Those performance levels would establish the basis for expanding the current service levels, either expanding the service frequency, expanding routes or establishing new routes. All would require strong marketing campaigns. It was obvious that you have to tell people that you have buses, where they're going and when they're going.

You have a regional cash flow and you have a regional tax approval in 2008. You have services location planning, dealing with each individual community, defining the routes, defining the bus stops, improvements on the street, bus shelters, connection points, Park and Ride lots, and doing what was necessary to implement what the service plan calls for.

Assuming that the bond was approved, funds don't start to flow until July of 2009, so you have the problem of a gap of service, and it was never a good idea from a public sales standpoint to have this gap. You tell people you want them to support a tax and then there will be 2-3 years before we will see the services.

One of the things they would be talking about was coming up with the revenues to pay for the startup so as to allow starting the service earlier, otherwise you're talking about late 2010 before you have service on the street and people can see the results of their support of transit. In the meantime, you have service planning to do, you have to order new buses, hire and train drivers, initiate a marketing plan. There were a thousand things involved, including, publishing time tables, doing run cutting, schedule building, just making the bus stop signs, getting them put in place, putting together a bus shelter program, having the actual areas where people could stand while they wait for the bus, so they're not required to stand in the street, or on private property, or standing in driveways. There all these kinds of activities which you need to move forward as your planning progresses.

Governor Tafoya asked what the process was for making improvements.

Mr. Miller replied that regardless of who did the work, each community needed to start to define the details of where the buses would run, what streets would they be on, how big the bus needed to be. He added that the NCRTD would give direction regarding the appropriate size of the vehicle and would provide capital funds cover this item. He said there was a process to determine the size of the bus, where the bus stops would be, where people would stand, were there park and ride needs, were there any other access requirements. He said that it might be if a walkway was built through a neighborhood that might give better access. He said there was a tradeoff in Scottsdale where it was cheaper to build the walkways so folks could get to the bigger bus, than it was to run smaller buses through the community He said Ms. Lucero and her staff would be providing that assistance to each community.

Governor Tafoya asked about schedules.

Mr. Miller said they were looking at a 6:00 weekday start and an 8:00 start on weekends for the Pueblos.

Governor Tafoya asked about ridership.

Mr. Miller said the next phase of service planning comes after the Board has made the decision to move forward with a financial plan that would support the upgraded service plan He said that after the staff flushes out a conceptual plan, it then goes to the counties and communities to develop the details.

Councilor Chávez asked to go back to page 6 re Service Planning Improvements. He said he didn't see any times for Cerrillos Road, New Service.

Mr. Bulthuis responded that staff wanted additional service between the Santa Fe Place and South Cerrillos Road, with the intent to serve the RailRunner stop on Highway 599.

Councilor Chávez said he supported connectivity and making it more user-friendly.

Mr. Bulthuis responded that this would be an extension to the existing route.
. Cerrillos Road route.

Mr. Rizvi asked if there was consideration for extending service to the south part of the county.

Mr. Miller said they were looking, on a conceptual, at adding routes in Santa Fe County. He said they were looking for the south county area to have a connection to the RailRunner. He noted that this could be funded from the gross receipts tax of Santa Fe County funds. He also noted that this money could be used for expanding Park & Ride or Santa Fe Trails services. He said the emphasis was to develop regional connections, so that every transit hub or node was connected to every other regional hub. He explained that after staff flushes out a conceptual plan, it then goes to the counties and communities to develop the details.

Financial Plan

Mr. Miller said there were some basic principles to start out with: that existing local commitments would stay in place, new revenues would not supplant existing local commitments, that existing federal funding would continue, that the current plan would be based on current federal funding and that the State would continue to provide money for Park & Ride.

How Much Money was Necessary to pay for the Service Plan Improvements

Mr. Miller stated that the annual operating budget was $9,500,000.

He said the Capital Requirements for Buses, Shelters, etc. for 2009 - 2012 was $11,900,000. He explained that this was the gross number estimate reflected in the net federal transit investment annually.

He commented that with the Current Federal (FTA) investment levels, the Local Share was:

$4,400,000 Annual Operations
$2,300,000 Capital Budget

Internal NCRTD Distribution Formula

Mr. Miller said Gannett Fleming had looked at 20 different allocations systems around the country. He said it was bewildering that every community had a different formula and they didn't really like any of them.

He said their intent was to make the formula simple and easy to apply. He thought it was important to distribute dollars fairly, without huge debates. By taking the best components from the nationwide study, they felt they came up with an equitable formula.

He said that creating the formula based on revenue source, didn't work because big cities got all the money and the rural areas could get none. He said their conclusion was that revenue should be distributed on the basis of demand. He suggested that revenue sources be broken into definable segments.

He said their conclusions were as follows:

1) Revenues should be applied equally between Local and Regional Services
2) Funds allocated for Local Service would be based on a population model
3) Capital Budget Requirements and Annual Administration Costs would be deducted from Gross Revenues before Service Allocations.
4) Local & State Contributions will maintain their basic system with FTA leveraged funds.

Mr. Mortillaro asked what actually was coming into the state and how were the numbers above arrived at.

Mr. Miller responded that the total operating cost of local and regional services came to about $8,200,000. He said this was the estimate for the proposed new services. He said to add to that $1,200,000 for marketing and planning.

He said that $3,000,000 represented one half the money needed for new buses, bus shelters and new facilities.

He noted that the annual operating budget for NCRTD was $12,700,000. He explained that, based on the breakdown into federal and local matches, and based on existing law, the federal component for operations was $4,100,000, and the local match was $4,400,000.

Mr. Mortillaro noted that the presentation was only showing the expansion budget, but not the figures for the services that were already provided. He thought that maybe the question should be directed to the state, because the federal money flows into the state, and they distribute it back to us. He asked if the state has the opportunity to get that kind of money.

Mr. Miller agreed that the presentation only showed the expansion budget. He said that by law they have the opportunity to ask for that much but whether the feds have money was yet to be determined. He noted that the budget for expansion included the following:

$1,200,000 for administration
$3,000,000 for capital improvements for new facilities and new buses
$7,000,000 annual operating budget with federal matches of $4,800,000 and local matches of $4,400,000

Mr. Harris said the state currently received $8,000,000 in rural transit money and this year received requests for $13,000,000 in federal funds from rural transit providers throughout the state. He noted that this did not include the Santa Fe Trails budget or the requested budget. He said that the $8,000,000 included NCRTD's requests for rural services. He also mentioned that NCRTD had gotten a grant for $1,200,000 in capital earmarked funds through the Congressional delegation.

Mr. Mortillaro projected that without more federal money, the gap would need to be made up from members if they wanted the services.

Mr. Miller said the proposed gross receipts tax hike was literally a contingency in case the federal local match did not come through.

Mr. Campos said that several of the partners were looking at easing their budgets.

Mr. Miller said they were told that the existing levels of financial support would continue from the communities.

Ms. Lucero explained that when the Memorandum of Agreement was signed it did indicate that all matches would remain the same until other money came in. At the present time, Ms. Lucero said the RTD obligation was to cover the current program and the community's responsibility was to cover their funding responsibilities.

Mr. Campos said this was new information to him.

Mr. Mortillaro asked that it be confirmed that the resolution that under consideration was only for the GRT and only addressed expanded services.

Ms. Lucero said the topic might need more discussion and that the Board might need to approve a different financial plan to take into consideration this concern.

Mr. Campos thought this was the plan.

Mr. Bulthuis responded that those discussions had been going on over the years. He said he did concur with what was said, but that the resolution didn't reflect specific entities. He felt that if it was reduced for some members, it should be passed on to all members. He felt the topic needed a lot more discussion.

Ms. Lucero pointed out that if Santa Fe money alone were supplanted, the money would be gone.

Mr. Campos repeated that they came into the discussion hoping to supplant what they were putting in, that they needed budget relief. He commented that Rio Arriba's program was handed over to RTD and that now Rio Arriba had no program and no budget.

Councilor Herrera asked Mr. Miller to explain how the GRT would affect communities. He asked what the benefit was that would be sold to the public. He said he didn't anticipate that communities would continue to put local funds in. He said that Española and Rio Arriba didn't have transportation support, that everything went into RTD. He requested that there be more discussion on the topic.

Mayor Duran said he also would like to be convinced that there was a benefit. He also wanted to be convinced that the current system would be maintained. He emphasized the need for the communities to buy in. He felt there was a need for a new presentation to Taos and Red River.

Mr. Mortillaro noted that some members had systems operated by NCRTD and some had their own system. He asked what would happen if a community gave up their own system and the GRT didn't pass. He asked how money would go back to those communities to operate their own system. He said it was important for everyone to get the same benefit and more information was needed.

Mr. Miller responded that the distribution of revenues from the GRT was based on population. For example, he said Santa Fe County and the city would receive about 60% of their revenues for local service and that 50% of the overall revenues would go for regional connections, operated by RTD, existing services or another contractor. He emphasized that they were trying to make it simple, and equitable. He said they were trying to balance population and the need for regional connections.

Commissioner Gonzales asked for an example of how money was applied in Taos County. He said he understood that Taos County represents a percentage of the 218,000 people in the RTD district. He asked what dollar amount Taos would get from the GRT for local transit, in addition to the commitment that RTD has already made. He said Taos County was looking for the best plan.

Mr. Miller explained that the GRT proposal was for the expansion plan, i.e. for expanding local service. He noted that 50% was for local service in Santa Fe and Los Alamos counties and that 50% was for the regional service plan, i.e. for connections between communities.

Mr. Miller said that the percentage allocations needed to be revisited.

Ms. Talley said their community saw an increase in population of 12,000 -15,000 daily. She said they run their own system and they were providing 13,000 trips per day. She said NCRTD was responsible for

3,000 individuals coming to Los Alamos each day. She suggested that where people were moving to and from should be considered, not just population.

Mr. Miller said that there was no distribution formula in some states, but that funds were directed to the highest need. He said one approach would be to look at highest demand, but that this was very difficult to manage. He felt that to fall back to population would be indicative of demand. He cited Santa Fe as the other community that got people in and then has to move them around.

Mr. Valencia commented on the regional cooperation approach. He said that the demographics of per capita income were not in the equation. He felt the regional approach could only strengthen the region and that it was important for the overall mission.

Mr. Campos stated that the connectivity function for employment purposes, and the need to move people to Los Alamos and Santa Fe for employment was the biggest need

Mayor Duran raised questions about the reliability of federal monies that might affect implementation of the next stage of the plan. He also raised the issue of increased fuel costs, as that would impact the cost of operations. He commented that cost factors and their increases translate to risk factors.

Mr. Miller said they considered three scenarios that take into consideration levels of risk. He described Scenario A, based on the current level of federal funding. He said this would generate a revenue reserve of $2,900,000 to cover potential under funding by federal sources.

He pointed out that Scenario B, at 3/16-cent tax level, would provide a reserve of $12,000,000 a year with $6,000,000 to offset potential federal shortfalls. He said this money also allowed growth beyond where things were under current funding. He noted that neither of these scenarios made provisions for reducing local commitments. He did allow that reserves could be used for that purpose.

He explained that Scenario C provided for expansion and connectivity with the RailRunner service, which they estimated to be about $3,700,000 a year. This scenario provided for a hefty reserve for any shortfall in federal revenues. He said that a portion of the reserves would be set aside for the state collection tax.

He noted that these three options laid out three relatively simple options for tax levels and the implications. He said that in discussions with staff that Option B gave greatest flexibility from an existing service standpoint. He said that the RailRunner issue needed to be addressed, in which case Option C might be a better way to go.

Commissioner Gonzales asked how the funding of the RailRunner connection would work.

Mr. Miller said that there would likely be a vote to allocate a portion of the cost to each entity. He said there was the option of it being paid from one place. He said his understanding was that the operating cost of the RailRunner portion would be $3,700,000

Mr. Harris said it was $12,000,000 - $13,000,000 overall. He said he was unsure of what the NCRTD share might be. He thought the $3,700,000 would be in the ballpark of what would be needed. He said what was being looked at was the area from La Bajada or Waldo Canyon into Santa Fe

Mr. Mortillaro asked if where it said 'RailRunner Operating Costs' in Option B was in error.

Mr. Miller responded that it should be under Option C.

Mr. Bulthuis said that the legislature did have a bill that would create a new RTD for the RailRunner operations and support services, but that bill didn't pass. He said the new RTD would cover the City of Santa Fe and Santa Fe County to cover RailRunner operations.

Mr. Bulthuis said this raised the question of which RTD entity Santa Fe would benefit from the most. He said that the discussion was ongoing and that what the relationship would look like if Santa Fe participated in both. He said the cost of operating the RTD was real and that there the Governor would have something to say about the tax issue. He said that at present the discussion among this group was for the 1/8 cent gross receipts tax.

Mr. Valencia said his handout reflected a slightly different proposal in concept and that it addressed how money would be distributed to member entities. He compared staff's Option A with Gannett's Option A. He said both proposals showed the same $8,000,000 in annual revenue, the same administration costs of $240,000 and $3,160,000 for capital expenditures and facilities, leaving $4,600,000 for distribution.

He said that staff's recommendation was that for the remaining $4,600,000, 50% would be for local and 50% would be for regional. He said the 50% for local would be distributed between the two partners, Los Alamos and the City of Santa Fe. He said that was based on the 1/8 cent. He said the split was based on the pro-rata of their funding or revenue inclusion.

Regarding Option B, that $4,300,000 would go to the Local and $4,300,000 would go to the Regional. He said that under this scenario, Santa Fe would receive approximately $2,400,000 and Los Alamos would receive about $1,500,000 for contract services. He noted that this scenario was very different from the scenario based on population.

He also indicated that the $3,700,000 for the RailRunner in Option C was based on estimates provided by Mr. Bulthuis. He said this was included to be evaluated as an option. He said it was important to consider everything on the table for discussion.

He summarized that $8,600,000 of the $12,000,000 could be distributed between the locals and the region for connector services in and out of Santa Fe and Los Alamos.

Based on an inquiry from Mr. Harris, Mr. Valencia said that under Option B $4,300,000 would go to Santa Fe and Los Alamos. He noted that he takes guidance from the Board as to the allocation formulas and that as he understood the sense of the Board, that all these monies generated from the Gross Receipts Tax would go towards expansion.

Ms. Talley asked for clarification re the deduction of administration and capital expenses.

Mr. Miller confirmed that Administration, Bus Purchases, Capital expenditures and facilities would be subtracted from the Annual Revenue and that amount would be split 50/50 between Santa Fe/Los Alamos (the locals) and the rest of the region. He said this was based on the revenue generation from each county

when doing the local split. He said that on this basis Santa Fe would get approximately $2,600,000 based on 50% of the revenue generated for contract services, i.e. the $4,300,000.

Mr. Bulthuis asked if the $3,100,000 for capital improvements for Options A and B was without federal revenues.

Mr. Valencia said these were the numbers that were presented to staff.

Mr. Bulthuis noted that there was the local match of $6,000,000 for capital.

It was stated that the assumption needs to be made that all capital monies would be coming locally because there was no guarantee of federal money coming in.

Ms. Trujillo said one example of the unpredictability of federal money was the NCRTD application for 5309 federal money. She said the FTA represented that the money would be there to fund the 5309 program, but then the feds took away the money and said they were going to use it for special projects in big cities, and as a consequence, all states got cut off. She said this would send a cautionary message regarding counting on federal money.

Mr. Valencia said the intent of staff's presentation was to show more direct benefit to the two major providers and provide an equitable share for the other entities.

Mr. Bulthuis said the effort to allow revenue that would be generated to be retained to the taxing entities, raises a concern regarding the City of Santa Fe, where some one half of the revenue raised would be transferred out of the city.

Mr. Bulthuis asked how the current money was being spent. He said that when you solicit support from the governing bodies, you needed to identify the payoffs for previous financial contributions. He said it was tough to maintain or increase service without more money because of increased labor and fuel costs. He suggested that one of the first steps needed to be the identification of the payoffs.

Mr. Valencia acknowledged that it was critical to evaluate benefits in terms of employment-related commuting, tourism or other favorable factors, in order to build public support.

Mr. Miller said the issue in front of the Board in the moment was to establish the Gross Receipts Tax target. He noted that the basis of the target was the service plan level that the Board wanted.

He noted that the service plan lays out financial strategy options. He felt the decision point was did the Board want $8,000,000 in revenue (Option A), or $12,000,000 (Option B) or $16,000,000 (Option C).

Key Factors

Mr. Miller said the way to move ahead was to specify proposals for each county in detail to address the basic mobility, congestion and air quality issues. He noted that the next step was to mobilize elected officials and environmental groups for the November initiative. He said one question was how much money the Board thinks they can raise from the Gross Receipts Tax and what it would it do for each community.

He commented that Option A provided for an increase in services that had been discussed, but did not provide a contingency if federal money did not come through. He felt that the 3/16-cent option would provide for growth and a contingency.

Commissioner Gonzales asked what the outlook was from the feds.

Mr. Miller said that with a different administration in Washington, the transit program was likely to change significantly. He thought funding in the short term was more questionable. He thought New Mexico should be a big recipient of federal funding.

Commissioner Gonzales wondered what the desires of Congress were. He noted that all earmarks were cut off now and communities wanted them back, otherwise these monies were getting cut annually. He also asked what the amount was in terms of assuming federal funding.

Mr. Miller said that currently money that could go into transit was going other places. He said that what they were hearing was that money was going to come back to transit. In response to a question from Commissioner Gonzales, he noted that these monies were not an entitlement and did not have permanent funding.

In response to a question, Mr. Miller said that in terms of distribution, they had really tried to come up with a proposal that was much simpler than anything they had looked at. He said that was how they came to the formula based on population. He said there was major discussion about the needs of rural areas vs. the needs of the large population areas. It was pointed out that in terms of revenue allocation, it gets complicated because some of the entities that have their own transit systems may get money from a different pot. It was further pointed out that some communities want some of their money back to run their own systems, but that they were also committed to pooling money for the regional system.

Mr. Miller stated that there was an $8,000,000 cost for the proposed expansion and that each community needs to be heard regarding their needs in this process. He noted that if the federal money comes through, a lower level of commitment would be needed from the local communities, but there needs to be protection from that risk, which was provided for in the 3/16 cent proposal.

7. ACTION ITEM: NCRTD GRT Resolution -3/16 of a cent (2008-02) Sponsors: Josette Lucero, Executive Director and Gannett Fleming

Mr. Valencia said that at the meeting of February 8, the Board adopted a 1/8-cent GRT. He said that at that point the clock started for the staff to make presentations to the four county governments to bring forward a resolution to be placed on the ballot. He said that if the Board adopted a new resolution changing the 1/8 to 3/16 of a cent, a new 75 day period would start, in which case staff would continue to make presentations, but with the modified version of the resolution. He said this 75 day window gave the staff until approximately June 1to get the approval for ballot language for the November election.

Commissioner Gonzales said he would need better detail to sell it to his Commission.

Mr. Mortillaro said the Board had already approved 1/8 and that the counties were only voting to put it on ballot. He wanted to make it clear that the counties were not actually approving the tax, but that would be left up to the voters in the November election.

Mr. Valencia said there was no sunset on the resolution being proposed, nor the previous one. He pointed out that if the new resolution were not approved at this meeting, the counties would need to approve the previous resolution by April 23 or if the new resolution was approved, it would need to be approved by the counties by June 1. He noted that this gives the Board more time to approve the funding scenario.

Chairman Dorame stated that staff was willing to provide any support to the counties and provide presentations to county commissions.

Mayor Duran noted that once it's on the ballot, it's pretty much a done deal for Taos County, so he emphasized that it was important to reach an agreement on the funding allocations soon.

Ms. Lucero noted that staff already was prepared regarding proposals for detailed route expansions with times and dates. She said the service plan included service to Chama, Red River and Questa.

Mr. Campos moved for approval of Resolution 2008-02. Councilor Chávez seconded the motion.

Mayor Linda Calhoun asked if the resolution were passed here, would it go on the ballot.

Mr. Valencia stated that if the resolution were passed, it would give the counties 75 days to approve the ballot language.

Mr. Mortillaro said his understanding was that state statute provides that the counties have an affirmative obligation to put it on the ballot, whether they want to or not.

Mr. Valencia said that if he understood the statute, counties shall place on the ballot, the question in ordinance form requiring two ordinances, which staff has supplied a boiler plate to the four counties and that it would be required to be placed on the ballot.

Mr. Pacheco said his understanding was that a county did not have the ability to not put the resolution on the ballot, and if that was so, what if a county withdrew from the NCRTD before the initiative went on the ballot.

It was noted that Legal Counsel, Mark Basham was not present at the meeting at this time.

Mr. Valencia pointed out that withdrawal could impact services to the county in question.

Mayor Duran asked if this would impact services already in place.

Mr. Valencia said it would not, because the funding sources were already in place for existing services.

Commissioner Gonzales asked if only county residents would be voting.

Mr. Valencia responded that this was an inclusive vote and that all residents of the county, inclusive of all municipalities, would vote.

Mr. Valencia said that if the resolution passed, the tax would apply to all businesses in the county and to all municipalities in the county.

Ms. Lucero explained that the intent was to provide services to all cities and towns in the county since everyone in the county would pay the GRT if it passes.

Mayor Duran observed that it behooved all counties to participate because of the benefits that came from cooperating. He felt that it would be important for their communities to be educated.

Councilor Alfred Herrera of Española noted that the whole basis for forming the NCRTD was to provide seamless transportation and that the objective of the NCRTD was to bring resources together and to collectively better serve our constituents.

He said he appreciated the comments that had been made, and he agreed with Mayor Duran when he said that the details needed to be worked out. He felt that the overriding concern for each community was what would they get in terms of services for the money collected.

He said he hoped each community would get better service. He noted that service planning was really at the heart of the budget process and he appreciated the work that staff had put into the service plan.

Councilor Herrera used the education funding formula as an example where entities throughout the state had their money pooled and re-allocated in an attempt to equalize education throughout the state.

He said he was going to support the resolution, but that he would like to settle the details so that each community knew what they would be getting. He said that in Española, they were already working on their own GRT and that they were getting opposition in the press. He thought they would have an uphill battle in Española. He said the local election for a GRT was coming in the next month. He thought the important point was to demonstrate a level of accountability. He said that it came back to how they educated the community and how well they kept their commitments.

Mr. Valencia said this was a window of opportunity. He noted that if it didn't pass this time, they would have to wait two more years. He mentioned the potential reauthorization that was coming up in two years. Whether that got renewed they didn't know. He said they could only hope that it passed and brought more opportunities. He said for a number of years there has been the attempt to establish a state transit fund and it had not happened yet. He said this was one of the risk factors mentioned earlier. He stated that the current gas tax on gas was $0.35 per gallon and there had been discussion of increasing that to $0.40 to fund highways and local transit. .

He said that a person with $40,000 of disposable income who purchased 210 gallons of gas, would pay gas tax in the amount of $75 per year. He said this was for a person making approximately $100,000 a year.

Mr. Valencia said that, for the election, all materials, translated materials, education costs and publicity would be paid for with NCRTD funds.

Mr. Bulthuis referred to Mr. Valencia's earlier statement that if the measure were not successful in 2008, the next opportunity would be in 2010. He asked if there weren't election opportunities in between those election dates.

Mr. Valencia said statute required that it be called at a General Election or Special Election. In Santa Fe County, the cost of a Special Election would be $125,000. He said there was not that amount in the budget for NCRTD.

Mr. Bulthuis asked if a municipality could opt out of the tax if the county approved it.

Mr. Valencia said there was an amendment to the RTD Act and the amendment said that all entities within a county would be subject to the tax.

Mr. Bulthuis asked if the only difference was an increment increase from 1/8 to 3/16. He mentioned that Santa Fe County was already planning for the 1/8-cent increase.

Mr. Valencia said it was important to retain parity and that there needed to be discussion as to whether the GRT increase was for the county or for the regional component of the NCRTD proposal.

The question was raised if the earlier motion of February 8 needed to be rescinded (Resolution 2008-01) before adopting Resolution 2008-02.
Mr. Valencia agreed.

The maker of the previous motion, and the maker of the second, agreed to amend their motion as follows:

"The motion was to rescind the action of the RTD Board at the February 8, 2008 meeting in their passing of Resolution 2008-01 and that they were moving that the Board approve the passage of Resolution 2008-02 to replace it."

Ms. Talley asked if the resolution should read 'transit service' and expansion, which would mean there could be relief for some communities.

Mr. Valencia responded that it was not the wording of the resolution. He said the ballot language did have that as part of the wording.

Ms. Talley said she would appreciate having a spreadsheet that would indicate the amount of revenue likely to be generated from each community.

Ms. Sanderson said she could provide those figures.

Ms. Talley expressed the concern that if this measure passed, it would be difficult for communities to pass their own GRT measures to fund local transit and that it would be helpful if there were information that told the voters that some of these revenues would be used for local services.

The motion passed unanimously.

10. Next Meeting: April 4, 2008, City of Santa Fe hosting.

11. Adjourn

The meeting was adjourned at 12:30 pm.

Submitted by:

Carl Boaz, Stenographer